



Aug. 4, 2005

Mr. Ron Stiver
Commissioner, Indiana Department of Workforce Development
10 N. Senate Ave.
Indianapolis, IN 46204

Dear Mr. Stiver:

It is my pleasure to submit, on behalf of the members of the Economic Growth Region 5 consortium, this application for \$350,000 in funding from the Innovating Indiana Strategic Skills Initiative.

We in central Indiana are fortunate that much work has been done to identify our region's high-growth industries. Studies also have indicated that we are experiencing or can expect to experience a shortage of workers in several industrial clusters. The members of the EGR 5 consortium are eager to more specifically quantify these phenomena; to build regional capacity to address them; to complement past or current studies by expanding into one or two more industrial sectors; to identify the root causes of skill shortages; and to develop and implement solutions.

This is an exciting prospect with a great deal of promise. Leaders in central Indiana have a long tradition of working together for the common good, and we have assembled an impressive lead team that brings together enthusiastic and committed members of our corporate and educational communities, all of whom have a stake in the outcome of this endeavor.

We are forwarding you this application electronically and will follow up with a hard copy that will include the six required original signatures, a member list and the consortium agreements.

We urge you to give serious consideration to our proposal, and thank you in advance for doing so.

Sincerely,

Joanne Joyce
President and Chief Executive Officer

Economic Growth Region 5
Strategic Skills Initiative Research & ID Grant
Application

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Attachments:

Consortium Member List (Attachment 1)
Consortium Agreements (Attachments 2–11)

Executive Summary

In June, the state of Indiana announced the Innovating Indiana Strategic Skills Initiative with the goal of building regional and local capacity so that workforce and local economic development efforts can be more fully integrated. The \$23 million initiative partners workforce development professionals with local and regional businesses and economic development officials so they can identify key skill gaps and provide ways to increase jobs and wages for Hoosiers.

The Strategic Skills Initiative aims to achieve two primary goals:

1. Identify and alleviate present and future shortages of critical occupations and specific cross-cutting skill sets within the industries that drive Indiana's economy, and
2. Support a demand-driven approach to workforce development at the regional and local levels.

Economic Growth Region 5 Regional Consortium

This initiative is structured around the creation of 11 *Economic Growth Regions* in the state; these geographic regions were created through quantitative analysis and qualitative evaluation. Economic Growth Region 5 represents a regional effort that spans across nine counties: Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan, and Shelby. The recently created EGR 5 consortium is being led by the Indianapolis Private Industry Council Inc. and the Circle 7/8, both workforce investment boards. EGR 5 regional consortium is geographically diverse and includes individuals from the public workforce system, business, local economic development programs, chambers, educational entities and labor (Attachment 1). EGR 5 consortium "Lead Team" members include:

1. John Crisp, vice president, Colliers Turley Martin Tucker (real estate)
2. Bob Francis, general manager human resources, Mitsubishi Corp. (manufacturing)
3. Mike Kirchhoff, vice president, The Indy Partnership (economic development)
4. Joe Trimpe, senior recruitment specialist, Fed Ex (logistics)
5. Pat Vercauteren, director for apprenticeship and workplace learning, Ivy Tech Community College of Indiana (education)

6. Jeff Williams, director of human resources, engineering and business development, Major Hospital (health care)

The consortium's first meeting was held July 28, 2005, with the goal of informing consortium members on the SSI process and activities that must be accomplished in the next six months, as well as securing their commitment to guiding and participating in the SSI process over the next two and a half years. Members were asked to demonstrate their commitment to the SSI process by signing a "consortium agreement" (Attachment 2- 11). Consortium members also outlined components necessary to the planning process and discussed preliminary ideas on addressing worker shortages. Outlined below are the primary components of EGR 5's SSI planning application, including: planning activities, ensuring consortium member involvement, building regional capacity and identifying budget needs.

Planning Activities

EGR 5's goal during the planning phase is to identify specific skill shortages in high-growth industries, determine the root causes and develop practicable solutions. More specifically, EGR 5 plans to:

- Build regional capacity to address workforce and economic development needs,
- Complement ongoing regional workforce studies, including the ERISS vacancy study and the regional labor market information studies by selecting one or two additional sectors,
- Conduct analysis of workforce regional studies and determine "root causes," and
- Develop solutions for targeted occupations in evaluated sectors.

Consortium Member Involvement

The EGR 5 consortium members will meet regularly to discuss specific issues and participate in the development of all three reports required by the Indiana Department of Workforce Development. We plan to hold a series of roundtables that will be conducted in conjunction with the development of the following three reports:

1. Occupation and Skill Shortages Report
Where are the shortages in high-growth industries?
Proposed roundtable discussions

- Week of Sept. 5
- Week of Oct. 10

Report due: Oct. 21, 2005

2. Root Causes Report

Why do shortages really exist?

Proposed roundtable discussions

- Week of Oct. 31
- Week of Dec. 5

Report due: Dec. 16, 2005

3. Regional Solutions Report

How do we close the gap?

Proposed roundtable discussions

- Week of Jan. 9
- Week of Feb. 12

Report due: Feb. 21, 2005

To make it easier for consortium members to participate, we plan to arrange “webinars” or other “Internet live” meetings.

In addition to consortium roundtables and webinars, EGR 5 plans to interview regional sector and industry representatives to ensure that the critical shortage occupations identified are consistent with industry needs; that the root causes are based on consortium members’ input; and that practical solutions are developed to meet the needs of the region's high-growth industries. EGR 5 will conduct our planning and research activities in accordance with IDWD’s guidance and methodologies.

Building Regional Capacity

EGR 5 recognizes that to be successful we must keep in mind the notion of a logical “line of sight” that moves from identifying and quantifying workforce shortages to specifying the root causes behind the shortages, then to defining solutions that are tied directly to the root cause. EGR 5 understands that one of the most important outcomes of our efforts is to create institutionalized knowledge of the process, findings and solutions so that EGR 5 builds the capacity to better address changing economic and workforce needs.

To this end, EGR 5 recognizes that we need to increase our capacity to accomplish the SSI planning and implementation activities. EGR 5 plans to hire a labor market specialist and increase staff capacity at

both IPIC and Circle 7/8 so that we can build long-term institutional knowledge at the regional level.

Budget Request

Outlined below are the major staffing needs and activities that serve as the basis for our SSI budget request in the amount of \$350,000.

Staff costs include:

1. Indianapolis Private Industry Council staff
2. Circle 7/8 staff
3. Labor market specialist
4. Workforce development specialist

Consultant assistance includes:

1. Part-time project manager
2. Technical writer for three reports
3. Expanded partnership with Indiana University, Center for Urban Policy and the Environment

Other expenses include:

1. Regional roundtables
2. Focus groups
3. Industry interviews
4. Participation in DWD's SSI workshops
5. Participation in ERISS vacancy study
6. Establishing regional capability for Internet live meetings
7. Applicable overhead costs associated with this grant

Work Statement

EGR 5's work statement is based on the specific criteria identified in the SSI Handbook, Research and ID Phase Document Construction, Section iv - Work Statement, page 18, which includes:

- I. Description of the qualifications of the individuals who will undertake the work.*
- II. Discussion of how the initiative will be coordinated across current WIB boundaries to ensure that it is responsive to all areas of the EGR.*
- III. Discussion of the specific plans to integrate regional sector and industry representatives in all steps of the research and analyses processes.*
- IV. Discussion of major primary research that will need to be performed. A listing of specific types (i.e., interviews, survey work, summary) should be included.*
- V. Schedule of activities in the format provided.*

Outlined below are EGR 5's responses and plans to fulfill the criteria listed above.

- I. Description of the qualifications of the individuals who will undertake the work.*

Joanne Joyce was named president and chief executive officer of the Indianapolis Private Industry Council Inc., the principal workforce development broker for Indianapolis, in December 2002 after spending six months as interim president. Ms. Joyce has tapped more than 25 years of experience in public, private and not-for-profit management to focus IPIC's mission, hone its goals and instill creativity and innovation in the way it conducts business. Before joining IPIC, she worked eight years as a private consultant; four years as assistant commissioner for the Indiana Department of Environmental Management; three years as executive director of Dance Kaleidoscope, a professional contemporary dance company; three years as development director for WIAN-FM, a public radio station; and six years as professional advertising director for the Ball State Daily News, the student-written newspaper at Ball State University. Ms. Joyce has served on numerous boards and commissions, including IPIC's Board

of Directors before joining the organization. She is a member of the Board of Trustees of the Workforce Development Council of the U.S. Conference of Mayors.

Lance D. Ratliff is the executive director for the Interlocal Association, an intergovernmental consortium that provides technical assistance and community development services to central Indiana communities, including Circle 7/8. The organization of 36 employees supports the work of the Circle Seven Workforce Investment Board and is a managing partner in the operation of the WorkOne offices in the seven counties around Indianapolis with more than \$6 million in contracts. Mr. Ratliff has more than 29 years of experience in community and workforce development programs. He is a member of the Board of Directors of the Alliance for Community Education in Hancock County, an Indiana licensed real estate broker and a Ball State University graduate with a bachelor of science degree in urban and regional planning and mathematical economics. He has completed graduate classes in business at the University of Indianapolis. He resides in the Old Northside historic district of downtown Indianapolis.

Carolyn Brown has worked in the employment and training arena since 1984 in a variety of management positions and has successfully implemented a variety of large-scale initiatives. Ms. Brown is vice president of the Indianapolis Private Industry Council Inc. During her three years with IPIC, she has written and secured a variety of grants and designed and developed the respective programs. Before coming to IPIC, Ms. Brown worked for the Indiana Department of Workforce Development for eight years, serving as director of policy and planning and director of workforce literacy. She also assisted with the School-to-Work state initiative. She also has eight years of experience working for a local not-for-profit organization, where she supervised operation staff and implemented workforce programs.

II. Discussion of how the initiative will be coordinated across current WIB boundaries to ensure that it is responsive to all areas of the EGR.

The Indianapolis Private Industry Council and Circle 7/8, both Workforce Investment boards, have a long history of working together to meet the needs of central Indiana workers. The two organizations have coordinated numerous grant-funded projects, such as the recent AIR project (Airline Industry Re-careerment), the regional Incumbent Worker councils, and the National Emergency Grant of 2002 for restoration after tornado destruction and the Fort Harrison Base

Closure (Heart Project) in 1993-1994. These projects and partnerships have demonstrated success across the WIB boundaries.

In 2004, IPIC and Circle 7/8 jointly produced and distributed the State of the Workforce report for the region, which identified emerging workforce needs and recommended solutions. This collaboration resulted in a greater understanding of the regional workforce needs.

Most recently, the organizations are working together to complete the regional labor market information studies, which evaluate four high-growth sectors in the region in terms of their high-growth occupations, the skills needed for those occupations and career ladders and ladders within the sectors. The findings from these studies will be an integral part of the data used in Strategic Skills Initiative planning and research efforts.

To reach the goals of the SSI, IPIC and Circle 7/8 are committed to working effectively together. As demonstrated above, the organizations have successfully partnered in the past and we believe the SSI is another opportunity to partner successfully on a regional level. As part of the SSI process, we have identified several opportunities to encourage and facilitate a truly regional approach, including creating a diverse consortium that represents the nine-county region and a wide variety of businesses and other key organizations. The lead team members are committed to the regional concept of this endeavor. This commitment is demonstrated by their plans to hold both roundtable discussions at which members can gather together and to hold Internet meetings so that even those from the farthest reaches of the region can participate with minimal inconvenience. Both approaches hold promise for a truly regional dialogue.

III. Discussion of the specific plans to integrate regional sector and industry representatives in all steps of the research and analyses processes.

EGR 5 recognizes that to be successful we must keep in mind the concept of a logical "line of sight." The concept that moves from identifying and then quantifying workforce shortages, to specifying the root causes behind the shortages, then to defining solutions that are tied directly to the root cause. EGR 5's "plan to plan" keeps the "line of sight" concept in mind and supports a demand-driven approach to workforce development at the regional and local levels.

The EGR 5 consortium members will meet regularly to discuss specific issues and research findings. We plan to hold a series of roundtables that will be conducted in conjunction with the development of the following three reports:

1. Occupation and Skill Shortages Report

Proposed roundtable discussions

- Week of Sept. 5
- Week of Oct. 10

Report due: Oct. 21, 2005

2. Root Causes Report

Proposed roundtable discussions

- Week of Oct. 31
- Week of Dec. 5

Report due: Dec. 16, 2005

3. Regional Solutions Report

Proposed roundtable discussions

- Week of Jan. 9
- Week of Feb. 12

Report due: Feb. 21, 2005

In addition, to consortium roundtables, we will interview regional sector and industry representatives to ensure that the critical shortage occupations identified are consistent with industry needs; that the root causes are based on consortium members' input; and that practical solutions are developed to meet the needs of the region's high-growth industries.

To facilitate consortium member participation but minimize the amount of time and distance members need to travel, we would like to establish regional capability for consortium members to participate in webinars or other Internet live meetings. Finally, consortium members will be invited to submit questions, concerns or comments to the lead and secondary agent or project manager at any time during the process.

IV. Discussion of major primary research that will need to be performed. A listing of specific types (i.e., interviews, survey work, summary) should be included.

EGR 5 understands that the methodological approach must be consistent throughout the SSI process, thus EGR 5 will use IDWD's:

- *The SSI How-To-Handbook*
- *SSI Data Packet*
- *SSI "Web-based" Internet workshops*
- ERISS vacancy study
- DWD's information memos

The EGR 5 consortium will conduct planning and research activities in support of completing the following three tasks:

1) *Identify Occupational and Skill Shortages*

Economic Growth Region 5 will broaden our approach by building on the regional labor market information studies underway by the Indianapolis Private Industry Council, which will analyze four industrial sectors that are critical to the growth of central Indiana. These sectors being studied are logistics, advanced manufacturing, automotive/motor sports and life sciences. We anticipate that information gathered and synthesized for these studies will be invaluable for compilation of our first report, Occupational and Skill Shortages Report.

EGR 5 consortium plans to identify one or two additional sectors for further study. EGR 5 will identify occupations and skill set shortages in key high-wage industries by following the four-step process outlined in the *SSI Information Memo #1 dated July 1, 2005*.

After the EGR 5 consortium has identified specific industries or clusters within a targeted sector that are appropriate for further study, it will "drill down" to learn about employers' current experiences with skill shortages in critical occupations, as well as shortages they expect in the future.

In the regional labor market studies that are underway, we use four criteria to determine if an occupation is "in shortage." We will adopt those same criteria in these additional studies. They call for an occupation to:

- Represent strong employment demand;
- Be critical to industry competitiveness (i.e., growth);
- Provide good earnings and benefits for workers; and,
- Be appropriate for targeting by the workforce system.

EGR 5 will then move from identification to quantification by pinpointing where the shortages are occurring within EGR 5 and develop estimates of near-term (two years) and long-term (10 years) needs.

2) Determine Root Causes

EGR 5 will determine the root causes of shortages by working closely with the targeted industry. EGR 5 will review data and research from public data sources, industry associations, universities and individual employers to identify factors that contribute to the shortages.

EGR 5 will host events such as focus groups/business summits and/or undertake surveys to explore the root causes of the shortages with industry representatives. Data also may be collected directly from incumbents in the occupation and individuals who have recently left. In addition, as part of EGR 5's consortium agreement, industry partners will verify that the root cause analyses were undertaken jointly and will validate the findings. The following provides more specifics about these plans.

Industry summits with:

- CEOs
- HR professionals
- Economic development professionals
- Organized labor

Interviews with:

- Educators
- Training providers
- Job placement staff
- Incumbent workers and workers who have recently left

Research and data:

- Regional supply side survey
- Individual employers' experiences
- Business associations' information
- Workforce training providers
- Federal and state wage reports

3) *Develop Solutions*

After the root causes are identified and quantified, EGR 5 will develop solutions. EGR 5 will provide rationale and evidence to support each solution and demonstrate that the solutions are feasible and have the potential to address short- and long-term shortages. A broad network of public and private organizations, schools and training providers may be used, including:

- Business associations
- Labor unions
- Professional associations
- Universities
- Community colleges
- Community-based organizations
- One-stop partner agencies
- Economic development organizations
- Dunn & Bradstreet data
- Economic development plans
- Other local economic research

EGR 5 understands that one of the most important outcomes of the effort is to create institutionalized knowledge of the process, findings and solutions so that EGR 5 builds the capacity to better address changing economic and workforce needs. As indicated in our planning activities below, the hiring of additional staff is an example of how EGR 5 plans to institutionalize the process.

Strategic Skills Initiative EGR # 5 : _____
 Planning Activities and Schedule

Project Activity 1: Labor market specialist and workforce development specialist hired to build regional capacity	Timeline: August - February	Staff Responsible & Agency: Carolyn Brown, IPIC	Effort/Work Hours: 40 per week on project per position	Product Produced (if applicable): N/A
Project Activity 2: Part-time project consultant hired to ensure timely completion of the project deliverables	Timeline: July - February	Staff Responsible & Agency: Carolyn Brown, IPIC	Effort/Work Hours: Up to 20 hours per week for project work	Product Produced (if applicable): N/A
Project Activity 3: Part-time technical writer hired to ensure high-quality final reports	Timeline: September - February	Staff Responsible & Agency: Carolyn Brown, IPIC	Effort/Work Hours: Up to 60 hours for project work	Product Produced (if applicable): Three final reports
Project Activity 4: Expand partnership with Indiana University, Center for Urban Policy, for consortium support	Timeline: August - February	Staff Responsible & Agency: Carolyn Brown, IPIC	Effort/Work Hours: Up to 40 hours	Product Produced (if applicable): Sector studies
Project Activity 5: Purchase Internet live meeting software for use by consortium members	Timeline: August - September	Staff Responsible & Agency: Carolyn Brown, IPIC	Effort/Work Hours: 20 hours	Product Produced (if applicable): Software
Project Activity 6: Conduct Internet live meetings with lead team and consortium members as needed	Timeline: September - February	Staff Responsible & Agency: Carolyn Brown, IPIC Lance Ratliff, C 7/8	Effort/Work Hours: 6 two-hour internet meetings	Product Produced (if applicable): Meeting summaries
Project Activity 7: Conduct consortium roundtables in conjunction with the development of the three reports	Timeline: September - February	Staff Responsible & Agency: Joanne Joyce, IPIC Lance Ratliff, C 7/8	Effort/Work Hours: 6 two-hour roundtable discussions	Product Produced (if applicable): Meeting summaries

Project Activity 8: Conduct regional focus groups as needed to support report development	Timeline: September - February	Staff Responsible & Agency: Carolyn Brown, IPIC Lance Ratliff, C 7/8	Effort/Work Hours: 8 to 10 two-hour focus groups	Product Produced (if applicable): Meeting summaries
Project Activity 9: Conduct interviews with industry leaders in support of report development	Timeline: September - February	Staff Responsible & Agency: Carolyn Brown, IPIC Lance Ratliff, C 7/8	Effort/Work Hours: 6 to 10 one-hour interviews	Product Produced (if applicable): Interview summaries
Project Activity 10: Use DWD's SSI Data Packet in support of report development	Timeline: September - February	Staff Responsible & Agency: Carolyn Brown, IPIC	Effort/Work Hours: As needed	Product Produced (if applicable):
Project Activity 11: Analyze additional data sources as needed in support of report development	Timeline: September - February	Staff Responsible & Agency: Carolyn Brown, IPIC	Effort/Work Hours: As needed	Product Produced (if applicable):
Project Activity 12: Conduct surveys	Timeline: October - December	Staff Responsible & Agency: Carolyn Brown, IPIC	Effort/Work Hours: TBD	Product Produced (if applicable): Survey findings
Project Activity 13: Participate in DWD's SSI Web-based seminars in support of the SSI	Timeline: July - February	Staff Responsible & Agency: Carolyn Brown, IPIC Lance Ratliff, C 7/8	Effort/Work Hours: When offered	Product Produced (if applicable):
Project Activity 14: Participate in ERISS vacancy study in support of the SSI	Timeline: August - September	Staff Responsible & Agency: Carolyn Brown, IPIC Lance Ratliff, C 7/8	Effort/Work Hours: As needed	Product Produced (if applicable):

Strategic Skills Initiative Research & ID Grant
Line Item Budget Request

Economic Growth Region # 5 : _____

ITEM	AMOUNT REQUESTED
1. Staff Costs	\$ 100,119.14
2. Consultant Assistance	212,654.18
3. Travel Expenses	1,350.00
4. Other Expenses	35,876.68
TOTAL REQUEST	\$350,000.00

1. **Staff Costs:** Prorated wages and benefit costs for that portion of time staff actively work on the project. Staff time charged to the project must be documented (i.e. time sheets).
2. **Consultant Assistance:** Costs for consultants assisting with the project. Include both consultant fees and expenses here. Please note that contracts for consultant services must meet all applicable state and local procurement requirements
3. **Travel Expenses:** Transportation (i.e. mileage), lodging, and meals (or per diem) costs for staff and other personnel (excluding consultants) participating in the project.
4. **Other Expenses:** Include costs such as: meeting room costs; purchase of data, reports, and materials; data processing fees; and printing expenses.

***NOTICE:** Attach a detailed justification for all requested costs by line item. The justification must explain what is being requested in relation to the work statement, as well as the “reasonableness” of the amount being requested – this is a critical piece that must be well developed in order for the state to determine final funding levels.

Strategic Skills Initiative Research & ID Grant
Line Item Budget Request
Detail Narrative

Economic Growth Region # 5 : _____

- 1. Staff Costs:** Prorated wages and benefit costs for that portion of time staff actively work on the project. Staff time charged to the project must be documented (i.e. time sheets).

Staff costs include salary and benefits for the following staff:

Salaries (based on 7 months):

IPIC President (10 hours per month)	\$ 3,701.60
IPIC Vice President (20 hours per month)	\$ 6,731.20
IPIC (EGR 5) Workforce Development Specialist	\$ 29,166.67
IPIC (EGR 5) Labor Market Specialist	\$ 29,166.67
IPIC Finance Staff	\$ 2,041.67
Circle 7/8 Exec. Director (20 hours per month)	\$ 5,939.00

Total Salaries: \$ 76,746.80

Benefits:

Based on 30% of Salary for IPIC

Based on 35.5% for Circle 7/8

Total Benefits: \$ 23,372.34

Total Staff Costs: **\$100,119.14**

- 2. Consultant Assistance:** Costs for consultants assisting with the project. Include both consultant fees and expenses here. Please note that contracts for consultant services must meet all applicable state and local procurement requirements.

Project Coordinator (Mary Beth Tuohy)

*up to 20 hours per week \$ 38,250.00

Technical Writer (Gina Radice)

*up to 60 hours total \$ 6,000.00

Indiana Univ-Center for Urban Policy	\$110,000.00
*Labor market information for additional sectors	

ERISS	\$ 13,454.18
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Workforce Associates	
* SSI "web-based" internet workshops	\$ 9,950.00

Focus Group Facilitator	\$ 10,000.00
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Regional Supply Side Survey	
*e.g. Walker Information	\$ 25,000.00

Total Consultant Assistance:	<u>\$212,654.18</u>
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3. **Travel Expenses:** Transportation (i.e. mileage), lodging and meals (or Per Diem) costs for staff and other personnel (excluding consultants) participating in the project.

IPIC staff travel expenses	\$ 1,000.00
Circle 7/8 staff travel expenses	\$ 350.00

Total Travel Expenses:	<u>\$ 1,350.00</u>
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4. **Other Expenses:** Include costs such as: meeting room costs; purchase of data, reports, and materials; data processing fees; and printing expenses.

Other expenses include: office supplies, meeting expenses, meeting room rental, printing expenses, other expenses that will be required for consortium meetings, employer roundtable meetings, other focus groups or business meetings, software licenses for internet meetings, etc.

Total Other Expenses	<u>\$ 17,000.00</u>
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Applicable overhead costs based on approved cost allocation plans:

IPIC	\$ 17,295.68
Circle 7/8	\$ 1,581.00

Total Overhead Expenses:	<u>\$ 35,876.68</u>
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GRAND TOTAL BUDGET REQUEST:	\$ 350,000.00
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